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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 013450

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E.O. 12958: DECL: 12/07/2016

TAGS: [PGOV](#) [KDEM](#) [KISL](#) [ECON](#) [EFIN](#) [KCOR](#) [PINR](#) [ID](#)

SUBJECT: DPR PASSES NEW PRESIDENTIAL ADVISORY COUNCIL BILL

REF: A. JAKARTA 13173 (SHOWDOWN BETWEEN PRESIDENT AND VP)

[1](#)B. JAKARTA 13233 (BALL IN SBY'S COURT ON REFORM UNIT)

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Classified By: Ambassador B. Lynn Pascoe, reason: 1.4 (d).

SUMMARY

[1](#)1. (C) On December 7, the Indonesian House of Representatives (DPR) unanimously passed a bill requiring the creation of a new presidential advisory council within three months. The nine-member council will be charged with advising the President on a full range of issues, its mandate expiring at the end of the President's current term. According to the law, the President will be empowered to select the members of the council himself and the members will be authorized to attend cabinet meetings and travel abroad with the President. The President has not yet commented on the law publicly, despite the fact that some legislators and a Cabinet Minister have indicated the law will necessitate the abolition of SBY'S newly formed Presidential Work Unit on Managing Policy and Reform Programs, or UKP3KR (Refs A and B). A close Presidential advisor told the Ambassador that the President intends to continue with his plans for the UKP3R. End Summary.

DPR PASSES ADVISORY COUNCIL BILL

[1](#)2. (U) According to members of the DPR and media reporting, the Presidential Advisory Council bill requires the President to create the council within three months. The council will have nine members, one of which will serve as chief, and the council's term will expire at the end of the President's tenure. The law stipulates that members may not come from leadership positions in political parties or NGOs, hold positions with the state, serve as executives of state owned enterprises, chair professional organizations, or be members of university faculties.

[1](#)3. Agun Gunandjar Sudarsa, a Golkar legislator and the chairman of the special legislative committee (PANSUS) that drafted the law and negotiated its content, told us the law enjoyed strong support across party lines. He noted that Yusril Mahendra, the President's State Secretary, had actively participated in the law's development over the course of the two years it took to emerge from the PANSUS, an unambiguous indication of the President's support for the legislation in his mind (Note: We point out that Mahendra has

more often than not used his office to obstruct, rather than assist SBY. End Note). He added that the President influenced the shape of the bill right up until the day of its passage, pushing only this week for the number of members to be expanded from six to nine.

14. According to Sudarsa, the bill gave the President the ability to shape the direction and influence of the council to fit his needs; the fact that the President would have complete authority to select the council's members was evidence of this. In terms of the council's access and power, this too would depend on the President's judgment and comfort level. Sudarsa emphasized that the council's primary objective would be to respond to the President's requests for input on whatever issues he deemed appropriate, though the members would also be expected to research and analyze other issues without the President's prompting. As an example, Sudarsa said one member could in theory focus specifically on developing ways to increase direct foreign investment, while another member might provide unsolicited counsel on energy policy options and brief the President accordingly. The advisory council, in other words, would adjust to fit the President's specifications.

WHAT ABOUT THE UKP3R??

15. (C) The Minister of Justice and Human Rights Hamid Awaluddin, undoubtedly mirroring his good friend Vice President Kalla's thoughts on the issue, told the Ambassador the new law would render the UKP3KR obsolete. Sudarsa told us the law compelled the President to dissolve all other Presidential advisory bodies. When we asked him explicitly whether this included the UKP3KR, he said that it did. Tosari Wijaya, a legislator from the United Development Party (PPP) and the deputy of the PANSUS, seconded Sudarsa's interpretation. Sudarsa offered that while the President

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would not be allowed to keep the UKP3KR intact, SBY could simply name all three members of the UKP3KR to the new council and create a de facto UKP3KR within the advisory body (Note: We point out that the new law prohibits consideration of individuals with state positions, a stipulation that presumably would disqualify Marsilam Simanjuntak, who has an advisory role in the Ministry of Finance).

16. (C) A close advisor to the President told the Ambassador that SBY did not intend to adjust his plans for the UKP3R despite the new advisory council law. The presidential contact said the President recognized the political volatility of UKP3R and was biding his time and calibrating precisely how he would utilize the reform unit. According to the contact, the new advisory council law simply created a formal, legally recognized home for longtime presidential advisors such as T.B. Silalahi, Syahrir and Ali Alatas.

COMMENT

17. (C) The new presidential advisory council law appears to put the President in a very difficult position politically. If he attempts to move forward with the UKP3R, his opponents in Golkar, PDI-P, and the Islamist parties will use the new law to portray the UKP3R as illegitimate and to undermine its authority before it even gets out of the gate. If SBY declines to stand his ground and defend the UKP3R, he will look weak and indecisive, a disastrous combination for a President still trying to assert his authority over an unwieldy bureaucracy.
PASCOE